Liquid fuel policy

412. SHRI AHMED PATEL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government have formulated the liquid fuel policy for setting up of liquid fuel based power plants in the country;

(b) if so, the details thereof;

(c) whether allocation of liquid fuel for the purpose has been made to Gujarat to enable it to set up power plants in the State; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T. R. BAALU): (a) and (b) Yes Sir. The Govt. has formulated the liquid fuel policy for setting up of liquid-fuel-based power plants in the country. The policy envisages development of 12000 MW of power generation capacity based on liquid fuels. In line with the decision of the Govt. of India, States have been allotted incremental power generation capacity based on liquid fuels on the basis of present and likely levels of shortages to be faced by the States by the end of the IX Five Year Plan. The allocated capacity includes projects proposed as captive/co-generation power plants (including captive power projects for industries/group of industries, even though they may be structured as IPPs), Public Sector, Joint Sector projects, IPPs and projects located in eco-sensitive areas etc.

(c) and (d) Under the new liquid fuel policy, on the basis of the recommendation of the State Government and the Ministry of Power, the Ministry of Petroleum & Natural Gas has allocated liquid fuels to 13 power plants for a total of 561.7 MW capacity in the State of Gujarat as against the ceiling capacity of 1230 MW allotted to the State. The Ministry of Power have further recommended allocation of liquid fuels to 10 power plants for a total of 510 MW capacity.

Decline in world oil prices

413. SHRI PREM CHAND GUPTA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the world oil prices have dropped sharply over the last six months; and

(b) if so, who are likely to be benefited from this, the oil companies or the customers?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T. R. BAALU): (a) and (b) International prices have fluctuated in the last six months. Oil prices in the international market are highly volatile in nature and these are driven by market forces *viz.* demand and supply fundamentals, political developments in major oil producing/exporting countries, abnormal variations in weather conditions in various parts of the world, market sentiments etc. prevailing at the given point of time. Government has decided that prices of major petroleum products would be fixed on import parity basis.

Regulatory body to police the petroleum sector

414. SHRI RAJNATH SINGH 'SURYA': Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government is planning to set up a regulatory body to police the petroleum sector in a decontrolled regime and to facilitate play of market forces;

(b) if so, the details thereof;

(c) whether Government have deputed a private research institute to prepare a report in this regard; and

(d) if so, the details thereof?